## AMENDMENTS TO THE CLAIMS

Claims 1-83 (canceled)

- 84. (previously presented) A method for assaying for modulators of β-secretase activity, comprising:
- (a) contacting a polypeptide with  $\beta$ -secretase APP processing activity with a substrate, both in the presence and in the absence of a putative modulator compound;

wherein said substrate comprises a peptide having an amino acid sequence of at least 6 amino acids, said amino acid sequence including four amino acids defined by formula  $P_2P_1$ - $P_1$ ,  $P_2$ , wherein:

P2 is N;

 $P_1$  comprises an amino acid selected from the group consisting of Y, L, M, Nle, F and H;

P<sub>1'</sub> is E;

P2 is V;

wherein the substrate is cleaved between  $P_1$  and  $P_{1'}$  by a human aspartyl protease encoded by the nucleic acid sequence of SEQ ID NO: 1 or SEQ ID NO: 3 (Hu-Asp2); and

wherein said peptide does not comprise the corresponding P<sub>2</sub>P<sub>1</sub>-P<sub>1'</sub>P<sub>2'</sub> portion of amino acid sequence depicted in SEQ ID NO: 19, SEQ ID NO: 20, SEQ ID NO: 21, SEQ ID NO: 26, SEQ ID NO: 27, SEQ ID NO: 28, SEQ ID NO: 31, SEQ ID NO: 32, SEQ ID NO: 33, SEQ ID NO: 34, SEQ ID NO: 35, SEQ ID NO: 36, SEQ ID NO: 37, SEQ ID NO: 38, or SEQ ID NO: 39;

- (b) measuring cleavage of the substrate peptide in the presence and in the absence of the putative modulator compound; and
- (c) identifying modulators of  $\beta$ -secretase activity from a difference in substrate cleavage in the presence versus in the absence of the putative modulator compound, wherein a modulator that is a  $\beta$ -secretase antagonist reduces such cleavage and a modulator that is a  $\beta$  secretase agonist increases such cleavage.

85. (previously presented) The method of claim 84,

wherein said substrate comprises a peptide having an amino acid sequence of at least 6 amino acids, said amino acid sequence including five amino acids defined by formula  $P_2P_1$ - $P_1$ : $P_2P_3$ ; and

wherein  $P_{3'}$  comprises an amino acid selected from the group consisting of E, G, F, H, cysteic acid and S.

86. (previously presented) The method of claim 84, wherein

P<sub>1</sub> comprises an amino acid selected from the group consisting of Y, F and L; and

P<sub>3'</sub> comprises an amino acid selected from the group consisting of E, G, F, H, cysteic acid and S.

87. (previously presented) The method of claim 84, wherein

 $P_1$  comprises an amino acid selected from the group consisting of F, L, Y, and M; and

P<sub>3'</sub> is E.

- 88. (previously presented) The method of claim 85, wherein the peptide comprises a sequence of amino acids defined by the formula P<sub>3</sub>P<sub>2</sub>P<sub>1</sub>-P<sub>1'</sub>P<sub>2'</sub>P<sub>3'</sub>, wherein P<sub>3</sub> is an amino acid selected from the group consisting of A, V, I, S, H, Y, T and F.
- 89. (previously presented) The method of claim 88, wherein  $P_3$  comprises an amino acid selected from the group consisting of I or V.
- 90. (previously presented) The method of claim 88, wherein the peptide comprises a sequence of amino acids defined by the formula  $P_4P_3P_2P_1-P_1\cdot P_2P_3$  wherein  $P_4$  is an amino acid selected from the group consisting of E, G, I, D, T, cysteic acid and S.

91. (previously presented) The method of claim 90, wherein the peptide comprises a sequence of amino acids defined by the formula P<sub>4</sub>P<sub>3</sub>P<sub>2</sub>P<sub>1</sub>-P<sub>1'</sub>P<sub>2</sub>P<sub>3'</sub>P<sub>4'</sub>, wherein P<sub>4'</sub> is an amino acid selected from the group consisting of F, W, G, A, H, P, G, N, S, and E.

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- 92. (previously presented) The method of claim 84, wherein the amino acids at positions  $P_2$ ,  $P_1$ ,  $P_{1'}$ ,  $P_{2'}$  comprise N, F, E and V, respectively.
  - 93. (canceled)
- 94. (previously presented) The method of claim 84, wherein said substrate comprises an amyloid precursor protein (APP) amino acid sequence with a modified  $\beta$ -secretase processing site defined by said formula  $P_2P_1-P_{1'}P_{2'}$ .
- 95. (previously presented) The method of any one of claims 84-92 or 94, wherein said peptide comprises an amino acid sequence having up to 50 amino acids.
- 96. (previously presented) The method of any one of claims 84-92 or 94, wherein the peptide further comprises a first label.
- 97. (previously presented) The method of claim 96 wherein the peptide further comprises a second label.
- 98. (previously presented) The method of any one of claims 84-92 or 94, wherein the peptide further comprises a detectable label and a quenching moiety, wherein cleavage of the peptide between  $P_1$  and  $P_{1'}$  separates the quenching moiety from the label to permit detection of the label.
- 99. (previously presented) The method of claim 85, wherein said cysteic acid comprises a covalently attached label.
- 100. (previously presented) The method of any one of claims 84-92 or 94, wherein the rate of cleavage of said peptide by said human aspartyl protease is greater than

the rate of cleavage of a polypeptide comprising the human APP  $\beta$ -secretase cleavage sequence: SEVKMDAEFR (SEQ ID NO: 20).

- 101. (previously presented) The method of any one of claims 84-92 or 94, wherein the rate of cleavage of said peptide by said human aspartyl protease is greater than the rate of cleavage of a polypeptide comprising the human APP Swedish KM $\rightarrow$ NL mutation,  $\beta$ -secretase cleavage sequence SEVNLDAEFR (SEQ ID NO: 19).
- 102. (previously presented) The method of any one of claims 84-92 or 94, wherein the polypepetide with  $\beta$ -secretase APP processing activity comprises an amino acid sequence selected from the group consisting of
  - (a) the amino acid sequence of SEQ ID NO: 2,
- (b) a fragment of the amino acid sequence of SEQ ID NO: 2 that retains β-secretase APP processing activity, wherein said fragment includes the aspartyl protease active site tripeptides DTG and DSG,
- (c) an amino acid sequence that is at least 95% identical to (a) or (b), wherein the polypeptide includes the aspartyl protease active site tripeptides DTG and DSG and exhibits β-secretase APP processing activity;
  - (d) the amino acid sequence SEQ ID NO: 4,
- (e) a fragment of the amino acid sequence of SEQ ID NO: 4 that retains β-secretase APP processing activity, wherein said fragment includes the aspartyl protease active site tripeptides DTG and DSG, and
- (f) an amino acid sequence that is at least 95% identical to (d) or (e), wherein said fragment includes the aspartyl protease active site tripeptides DTG and DSG and exhibits  $\beta$ -secretase APP processing activity.
- 103. (previously presented) The method of any one of claims 84-92 or 94, wherein the polypeptide with  $\beta$ -secretase APP processing activity comprises an amino acid sequence selected from the group consisting of
  - (a) the amino acid sequence of SEQ ID NO: 2; and

active site tripeptides DTG and DSG.

(b) a fragment of the amino acid sequence of SEQ ID NO: 2 that retains β-secretase APP processing activity, wherein said fragment includes the aspartyl protease

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- 104. (previously presented)A method according to claim 103, wherein the polypeptide with  $\beta$ -secretase APP processing activity comprises a polypeptide purified and isolated from a cell transformed or transfected with a polynucleotide comprising a nucleotide sequence that encodes the polypeptide.
  - 105. (previously presented) A method according to claim 95,

wherein the substrate is expressed in a cell transformed or transfected with a polynucleotide comprising a nucleotide sequence that encodes the substrate,

wherein the cell expresses the polypeptide with  $\beta$ -secretase APP processing activity;

wherein the contacting comprises growing the cell in the presence and absence of the test agent, and

wherein the measuring step comprises measuring APP processing activity of the cell.

- 106. (previously presented) A method according to claim 105, wherein the contacting comprises administering the test agent to a transgenic non-human mammal that comprises the cell.
- 107. (previously presented) A method according to claim 84, wherein the polypeptide is encoded by a polynucleotide comprising the nucleotide sequence selected from the group consisting of:
  - (a) the nucleotide sequence of SEQ ID NO: 1 or SEQ ID NO; 3.
- (b) a nucleotide sequence that hybridizes under the following stringent hybridization conditions to the complement of SEQ ID NO: 1 or 3:

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(1) hybridization at  $42^{\circ}$ C in a hybridization buffer comprising 6x SSC and 0.1% SDS, and

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(2) washing at  $65^{\circ}$ C in a wash solution comprising 1x SSC and 0.1% SDS;

wherein said nucleotide sequence encodes a polypeptide that exhibits  $\beta$ secretase APP processing activity.

108. (new) A method according to claim 84, wherein  $P_1$  comprises an amino acid selected from the group consisting of L, Nle, and Y.

109. (new) A method according to claim 108, wherein the substrate comprises a peptide having an amino acid sequence selected from the group consisting of SEQ ID NO: 133, SEQ ID NO: 134 and SEQ ID NO: 5.

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